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COUNTRY	Hungary	CONFID	ENTIAL			3
SUBJECT	The Union of Free			DATE DISTR.	15 AUG	50
(Szabadsagharcos Szövetseg)				NO. OF PAGES	1	25X1
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1,	Since the peasants provide the greatest amount of manpower for the army and since the Communist regime does not trust the peasants, and, on the other hand, since the trained officer corps was disbanded before a suitable successor body had been trained, a militant organization was created, effective 1 January 1950, out of the Union of Freedom Fighters (Szabadsagharcos Szövetseg) - formerly the Union of Partisans (Partisanszövetseg). By the end of February it already had 300,000 members and by the end of summer 1950 it should have about a half million. Training of a political and military nature is given at required schools and casernes.					
	The personnel will be armed with Russian weapons, including machine guns. Sandor Nogrady is said to be the head of this organization, which resembles the SS. Horthy's former Chief of Staff is the figurehead chief of the organization. This arrangement was necessary since there is a strong spirit of anti-Semitism in the ranks of Hungarian labor, which furnishes the bulk of the militia, and Nogrady is supposed to be a Jew.					
	The funds for the setting up of the militia were not provided in the budget. The government has now decided to use the funds, amounting to some six million forints in cash and over fifty million forints in real estate, remaining after the liquidation of the Authority for Enemy Property and seized from those who have fled the country or who have been considered politically unreliable, for so-called emergency credits. These expenditures will be allocated for the extraordinary requirements of the government and the Communist Party.					
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	CONFIDENTIAL letter of 16 Oc	is hereby regraded to in accordance with the ctober 1978 from the tral Intelligence to the United States.	lo Change in Control Report Control	\$ 5 C 1 7 S By:		25X1
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